

South Dakota Public Utilities Commission Meeting
Tuesday, April 12, 2005 at 10:30 A.M.
State Capitol Building, Room 412
Pierre, South Dakota

NOTE: If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. on April 11, 2005.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF THE COMMISSION MEETING

Administration

1. **Approval of the Minutes of the Commission Meeting Held on March 8, 2005. (Staff: Tina Douglas.)**

Consumer Issues

1. **Status Report on Consumer Utility Inquiries and Complaints Received by the Commission. (Consumer Affairs: Jim Mehlhaff)**

Electricity

1. **EL04-015 In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval to Include Certain Renewable Energy Development Fund Costs in the Electric Fuel Clause Adjustment. (Staff Analyst: Steve Wegman, Staff Attorney: Karen Cremer)**

Application by Xcel Energy for approval to include Renewable Development Fund payments directed to projects resulting in new renewable energy production, and associated administrative costs, allocated to South Dakota, in a revised Fuel Clause Rider Tariff for purposes of cost recovery from South Dakota customers. Renewable Development Fund payments by Xcel are required by an Act passed by the Minnesota Legislature in exchange for enabling Xcel to temporarily store spent nuclear fuel at the Prairie Island Nuclear Generating Plant at Red Wing, Minnesota.

TODAY, how shall the Commission Proceed?

2. **EL05-005 In the Matter of the Joint Request for an Electric Service Rights Exception between Central Electric Cooperative, Inc. and the City of Plankinton. (Staff Analyst: Michele Farris, Staff Attorney: Karen Cremer)**

On March 7, 2005, Central Electric Cooperative, Inc. (Central Electric) and the City of Plankinton (City) filed a joint Service Rights Exception Agreement for Commission approval. Central Electric is seeking approval of an exception to provide service to a sign located in the service territory of the City. The sign

is located on the north side of Interstate 90 at Exit 308. The owners of the sign and the real property upon which the sign is located are Floyd and Sandra Noble d/b/a Cabin Fever Motel and RV Park. The Cabin Fever sign is located within Lot D of F & S Noble's First Addition, a subdivision of the unplatted portion of the N 1/2 of the SE 1/4 of Section 22, and the unplatted portion of the SE 1/4 of the SE 1/4 of Section 22, all lying east of Main Street of the city of Plankinton, Township 103 North, Range 64 West of the 5th P.M., Aurora County, South Dakota. The parties to this agreement agree that the public interest would be served by Central Electric providing electrical service to the sign. Specifically, the parties would avoid unnecessary duplication of facilities and Central Electric would provide adequate electric service to the Cabin Fever sign and the arrangement would promote the efficient and economical use and development of the electric systems.

TODAY, shall the Commission Grant the Service Rights Exception?

3. EL05-006 In the Matter of the Filing by NorthWestern Corporation d/b/a NorthWestern Energy for Approval of Tariff Revisions. (Staff Analyst: Dave Jacobson, Staff Attorney: Sara Greff)

Filing by NorthWestern Energy for approval of revisions to electric tariff schedules Option N and Option L. The proposed tariff revisions would allow NorthWestern Energy, without prior Commission approval, to discount energy charges applicable to new customers, receiving service at new locations, with a demand of 2 megawatts or more in order to offer competitive rates.

TODAY, shall the Commission Approve the Tariff Revisions?

Natural Gas

1. NG05-002 In the Matter of the Application of Montana-Dakota Utilities Co. for Authority to Increase Rates of Natural Gas Service (Staff Analyst: Dave Jacobson, Staff Attorney: Sara Greff)

Application by Montana-Dakota Utilities Co. (MDU) for approval to increase rates for natural gas service to customers served by its East River Natural Gas System by \$849,745 annually or 12.2% based on MDU's adjusted 2004 test year. The company states the proposed increase for a residential customer would average about \$9.10 per month. The proposed rates may potentially affect approximately 5,800 customers in MDU's East River System.

TODAY, shall the Commission suspend the imposition of the tariff for 90 days beyond April 23, 2005? AND, shall the Commission assess a filing fee for actual expenses not to exceed \$100,000?

Telecommunications

1. TC03-193 In the Matter of the Filing by RCC Minnesota, Inc. and Wireless Alliance, L.L.C. d/b/a Unicel for Designation as an Eligible Telecommunications Carrier. (Staff Analyst: Harlan Best, Staff Attorney: John Smith)

On November 18, 2003, RCC Minnesota, Inc. and Wireless Alliance, L.L.C. d/b/a Unicel (collectively, RCC) filed a petition to be designated as an eligible telecommunications carrier (ETC) for purposes of qualifying to obtain federal universal service support in the areas of certain non-rural and rural telephone companies. RCC Minnesota, Inc. is authorized by the Federal Communications Commission (FCC) as the Cellular Radiotelephone Service provider in the South Dakota Rural Service Area 4 - Marshall, South

Dakota. Wireless Alliance, L.L.C is authorized by the FCC as the Personal Communications Service carrier in the partitioned area of the Minneapolis-St. Paul MTA012 which encompasses Minnehaha and Lincoln Counties, South Dakota, in the Sioux Falls Basic Trading Area (BTA 422). RCC also requests the Commission to redefine the following Rural LEC Service Areas: Alliance Communications Cooperative, Interstate Telecommunications Cooperative, Inc., James Valley Cooperative Telephone Company, PrairieWave Community Telephone, Inc., and Sioux Valley Telephone Company. On December 4, 2003, Petitions to Intervene were filed by James Valley Cooperative Telephone, Union Telephone Company, Stockholm-Strandburg Telephone Company, Venture Communications Cooperative, and Interstate Telecommunications Cooperative. Sioux Valley Telephone Company, PrairieWave Communications, South Dakota Telecommunications Association, Roberts County Telephone Cooperative Association, RC Communications, Inc., and Alliance Communications Cooperative, Inc. each filed Petitions to Intervene on December 5, 2003. The Commission granted intervention to the above named parties on December 16, 2003. The matter was originally noticed for hearing for July 27, 28, and 29, 2004. The matter has been rescheduled for October 14 and 15, 2004. On August 25, 2004, RCC fax filed a Request For Opportunity to File Surrebuttal Testimony requesting a filing deadline of Sept 14, 2004, for such testimony. The Commission granted RCC's Request to File Surrebuttal Testimony at its August 31, 2004, meeting. The filing deadline for the testimony was set as September 14, 2004. On March 24, 2005, the Intervenors filed a Motion to Submit a Supplemental Brief. At its March 29, 2005, Ad Hoc meeting, the Commission voted to allow the Supplemental Brief to be filed electronically by the Intervenors and Staff no later than April 8, 2005. RCC shall file its Supplemental Brief electronically no later than April 11, 2005.

TODAY, the Commission shall Hear Oral Arguments.

2. TC04-225 In the Matter of the Filing by VCI Company for Designation as an Eligible Telecommunications Carrier. (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

On November 15, 2004, VCI Company filed a petition for designation as an Eligible Telecommunications Carrier (ETC) in Qwest Corporation exchanges in South Dakota. VCI Company is a competitive local exchange carrier providing wireline services primarily through the leasing of Unbundled Network Elements.

TODAY, shall the Commission enter an Order designating VCI Company as an ETC for its requested ETC service area, AND shall the Commission provide a certification to the Federal Communications Commission and to the Universal Service Administration Company regarding the plan for the use of federal universal services support?

3. TC04-260 In the Matter of the Application of Budget Phone, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services and Local Exchange Services in South Dakota. (Staff Analyst: Keith Senger, Staff Attorney: Sara Greff)

On December 14, 2004, Budget Phone, Inc. filed an application seeking a Certificate of Authority to provide interexchange services throughout South Dakota and local exchange services in the areas served by any LECs that are not eligible for a small or rural carrier exemption pursuant to Section 254(f)(1) of the federal act. The Applicant intends to offer resold interexchange and local exchange services utilizing the UNE-P platform.

TODAY, shall the Commission Grant a Certificate of Authority to Budget Phone, Inc.?

4. TC05-048 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and McLeodUSA Telecommunications Services, Inc. (Staff Attorney: Sara Greff)

On March 7, 2005, the Commission received a filing for approval of an Expedites for Design Services Amendment to the Interconnection Agreement between Qwest Corporation and McLeodUSA Telecommunications Services, Inc. According to the parties, this Amendment revises the Interconnection Agreement between the parties, which the Commission approved on July 23, 1999, in Docket TC99-057.

TODAY, shall the Commission Approve the Amendment?

5. In the Matter of Approving Agreements in TC05-049 and TC05-050

TC05-049 In the Matter of the Filing for Approval of a Master Services Agreement between Qwest Corporation and Lightyear Network Solutions, LLC. (Staff Attorney: Sara Greff)

On March 7, 2005, the Commission received a filing for approval of Qwest's Master Services Agreement. Qwest Corporation and Lightyear Network Solutions, LLC have executed a commercial agreement related to the provisions of switching and shared transport. The Master Services Agreement is being filed in compliance with the Commission's Order dated October 29, 2004, in Docket TC04-144. In its cover letter Qwest stated that, "Qwest has disputed and will continue to dispute, that the (Master Services) Agreement and similar commercial arrangements between Qwest and CLECs are ICAs that must be filed with the Commission for approval pursuant to Section 252 of the Act. Notwithstanding this position, and without waiving any of its rights or arguments on these issues, Qwest is filing the Agreement as set forth above. Qwest is making the filing solely to avoid further controversy or disputes with the Commission regarding the appropriate legal status of the Agreement. . . ."

TC05-050 In the Matter of the Filing for Approval of an Adoption Agreement between Qwest Corporation and KMC Data, LLC. (Staff Attorney: Sara Greff)

On March 10, 2005, the Commission received a filing for approval of a Notice of Election of Interconnection Agreement between Qwest Corporation and KMC Data, LLC. According to the parties, "KMC Data elects to receive interconnection services in accordance with the terms of the interconnection agreement between Qwest and AT&T approved by the Commission on May 13, 2004 in Docket No. TC04-080."

TODAY, shall the Commission Approve the Agreements?

6. Review of Implementation of FCC Requirements for Lifeline and Link-Up Programs and the Development of Additional Outreach Efforts (Staff Attorney: Rolayne Wiest)

Commission Staff (Staff) requests that the Public Utilities Commission (Commission) open a docket or conduct some other type of proceeding regarding the Lifeline and Link-Up programs. The Federal Communications Commission (FCC) has revised its Lifeline and Link-Up programs and added new eligibility requirements as well as certification and verification procedures. See In the Matter of Lifeline and Link-Up, WC Docket No. 03, 109, Report and Order and Further Notice of Proposed Rulemaking (rel. April 29, 2004). Based on these revisions, Staff believes it would be beneficial for the Commission to review how Eligible Telecommunications Carriers (ETCs) are implementing these new requirements. In addition, Staff believes

that the Commission should review how ETCs are advertising the availability of these programs to their customers and whether the Commission could provide additional assistance in outreach efforts.

TODAY, shall the Commission open a docket or conduct some other type of proceeding regarding these matters?

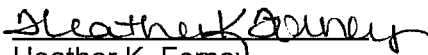
7. Qwest Performance Assurance Plan Audit (Staff Analyst: Harlan Best, Staff Attorney: Karen Cremer)

The Commission has recently received an email from the chairman of the Regional Oversight Committee, Commissioner Tony Clark of the North Dakota Public Service Commission, inquiring whether the South Dakota Commission will formally join the regional collaborative to handle the auditing of the Qwest Performance Assurance plans that were adopted by the Qwest states. Commissioner Clark requested a response by April 12, 2005. Previously, 13 of the 14 Qwest states had indicated an interest in joining a collaborative and jointly paying for the cost of the audit.

TODAY, shall the Commission join the regional collaborative to handle the auditing of the Qwest Performance Assurance Plans?

Announcements

1. The next regularly scheduled Commission meeting will be held April 26, 2005, at 9:30 a.m. in Room 412, at Pierre, South Dakota.
2. Commission meetings are scheduled for May 10 and 24, 2005.
3. An Energy Forum will be presented by the PUC at the Sheraton Convention Center in Sioux Falls, South Dakota, on April 18, 19, and 20, 2005.


Heather K. Forney
Deputy Executive Director
heather.forney@state.sd.us
April 6, 2005